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## RECOVERY IN ITALY

by George Popoff

There is as yet no certainty that future developments in Italy will fulfill the encouraging promise of the April elections. But in the present state of Europe it is something that the optimistic mood created by the favorable outcome of the elections still prevails.

At present all Italian hopes hinge on the gigantic European Recovery Program. Its success or failure for Italy depends to a great extent on domestic reforms which Italians must carry out. The public here knows that very well. And the public expects the new Government, elected with an overwhelming majority, to utilize in an intelligent and efficient manner the generous help offered it by the Government and people of the United States. Prime Minister De Gasperi, in his first speech before the new Parliament, has solmenly promised this.

The main task of the new Italian Government -- De Gasperi's sixth Cabinet -- is reconstruction. But reconstruction in Italy, as in most European countries of today, is not an economic problem alone. It is also a political and military problem. Therefore, in forming his new Government, De Gasperi's foremost thought was how to form a Cabinet which would achieve simultaneously the three main objects of Italy's recovery: domestic peace and order; stronger national defense; an improved financial and economic situation.

De Gasperi has on the whole succeeded in gathering a team of efficient collaborators. His new Government, composed of representatives of the four most important democratic parties (Christian Democrats, Independent Socialists, Liberals and Republicans) reflects fairly well the will of the great anti-Communist majority of the Italian people. The Government can, therefore, justly be called one of "the People's Confidence". It is now up to De Gasperi and his colleagues to show whether or not they can justify this confidence.

Count Carlo Sforza remains Minister of Foreign Affairs, and Mario Scelba continues as Minister of the Interior. The foreign and internal problems of post-war Italy are too delicate to permit frequent and

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unnecessary administrative changes. Particularly important is the task of keeping domestic peace and order, and of continuing unrelaxingly the struggle against the subversive activity within the country.

II

The Italian Communists have now recovered somewhat from the severe shock which they suffered at the elections. Just before the first meeting of the new Parliament they published, very obligingly, a form of "Manifesto" -- signed by Togliatti -- regarding the general line of the new policy which they intend to pursue in the near future. This line is even more pronouncedly anti-European and anti-American than ever before. The policy of the soft hand, says the Communist "Manifesto" in substance, will henceforth be abandoned. It will be replaced by a much more uncompromising policy in and out of Parliament.

Particular emphasis is laid on the extra-parliamentary program. Before the elections the Communists, then fishing for votes, spoke repeatedly of such tempting aims as "protective democracy"; "useful collaboration of all classes"; "protection of private property". They now announce renewal of a "pitiless struggle of the proletarian masses" through the workmen's "soviets", the farmer's unions, the municipal councils (with Communist majorities), the women's and youth leagues and the various other party front organizations created by the Communists for revolutionary purposes during the last two years.

The danger of this new Communist challenge must not be underestimated. In view of the great misery and dissatisfaction prevailing in the country the Communist Party, with eight million followers and sympathizers, continues to be a very serious menace. Communist-inspired strikes, revolts and disorders have by no means ceased. And new Communist assaults against the young Republic are to be expected.

Italy, therefore, needs more than ever the energy and courage of an experienced administrator, like its gifted Minister of Interior Mario Scelba. In the eyes of the Communists, he is today the most hated statesman of Italy. For Scelba not only succeeded in creating a well-armed and well-trained police force, but also in purging it of the pro-Communist elements which had begun a systematic infiltration. Because of Scelba, the Italian police force is now thoroughly reliable.

De Gasperi has entrusted Randolfo Pacciardi, the leader of the Republican Party, with the Ministry of Defense. Pacciardi is a man of the moderate Left. He fought on the side of the Republicans during the Spanish Civil War. Trustworthy and impartial observers call Pacciardi

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"one of the best and noblest Italian patriots". As to his personal integrity and political idealism there certainly can be no doubt.

This nomination has met with criticism, chiefly from military and conservative circles. In view of Italy's precarious situation it is argued that the Defense Minister should be a non-political technician. His single aim should be to transform the army allowed Italy by the Peace Treaty, into an efficient defensive force. Italy, says one critic, looks "with some skepticism on a Leftist political leader who, as Defense Minister, might be tempted to use the Armed Forces of his country as an object of various ideological experiments . . . "

However, there is no reason to fear that Pacciardi will not collaborate loyally with his technical and military advisers. He did so during the election campaign, as chief of the Supreme Governmental Committee charged with the maintainance of public safety and order. Above everything, Pacciardi enjoys public confidence. And this could prove of decisive importance if the Italian Armed Forces should ever be called upon to defend the safety and existence of the Republic.

III

Thus, with maintainance of internal peace and order and the strengthening of the defensive forces assured, financial and economic recovery remain the most important problems facing the new Government. Will Italy, in consequence of ERP, in due time become self-supporting?

Most economic experts have little doubt as to Italy's eventual recovery -- "under certain conditions". Of these the two most important are: first, that Italy shall get her financial affairs in order, creating stable monetary conditions; second, that Italy shall bring her factories back into full operation, increasing production.

Senator Luigi Einaudi served as Italy's Budget Minister (and practically financial dictator) during the most critical post-war period. When he became President of the new Republic, there was anxiety as to whether or not Einaudi's successors would continue to pursue his rigorous financial policy and succeed, as he did, in stopping inflation.

These doubts have been lessened by the nomination of two experienced financiers and former collaborators of Einaudi -- Giuseppe Pella as Minister of the Treasury and Budget Minister ad interim, and Senator Ezio Vanoni as Minister of Finance, both belonging to De Gasperi's Christian Democratic Party. President Einuadi appeared in person at the installation of the Budget Minister. This symbolic act assured continued curtailment in State expenditure, drastic restrictions of bank credits and similar anti-inflationist measures.

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More complicated is the question of how to overcome Italy's severely handicapped industrial production. Many Italian factories still remain idle, and those operating produce goods at prohibitive prices. The average Italian can afford a suit and a pair of shoes only if he is willing to starve a month to make these purchases. Costly Italian goods can now scarcely be sold on foreign markets.

There are two reasons for this difficulty. One is the fact that most of the Italian industries, when they sought to resume peacetime activity, calculated production costs on the basis of a presumptive exchange rate of 1,000 lire to the dollar. The present legal rate of exchange is approximately 580 lire to the dollar. This fatal miscalculation can only be removed by monetary reforms which for full success should be taken in concert with other Western European nations.

The second major obstacle to Italy's industrial recovery is of a political nature. During the first post-war years, various semi-Communist Italian Governments forced the management of industrial enterprises to employ and pay a much greater number of workmen than were actually needed. Other politically-inspired restrictions were also imposed. The result has been a huge increase in production costs, in some cases even a complete crippling of Italian industry.

Industry, said the liberal economist E. Rosasco recently, is the backbone of the whole Italian economy. "It cannot", he emphasized, "be turned by the State into a gigantic charitable institution, without finally being condemned to ruin". On the other hand, liberation of Italian industry from these fettering restrictions would automatically increase production, and consequently decrease present unemployment.

One of the first tasks of the new Italian Minister of Industry, the Independent Socialist Ivan Matteo Lombardo, must therefore be a speedy removal, with the consent of Parliament, of political obstacles which still hinder the free development of Italian private enterprise.

Americans who are studying current conditions in Western Europe are unanimous in the assertion that Italy, in comparison with the other war-stricken countries, has made great advance in recovery. Assuming that under the new Government Italians will carry out the necessary financial and industrial reforms, and that no unforeseen catastrophes occur, there is little doubt that at the end of the period of assistance granted by ERP, Italy will stand on her own feet again.

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# Not Merely Gossip

June 23, 1948

By Frank C. Hanighen

Convention Notes ---- "If they balloted now, Hoover would be nominated", remarked several amazed persons in neighboring chairs in Convention Hall. It was in the middle of the quarter-hour ovation to the former President when he took his place on the rostrum. The surprising demonstration followed two days of sessions marked by almost complete apathy among the delegates and people in the galleries. Observers were beginning to conclude that nothing, not even the nomination itself, could stir those deadpan ranks into enthusiasm. Then, Mr. Hoover arrived and the hall came to life.

It was probably more a tribute to Hoover, the man, than to the Party leader -- another manifestation of the former President's phenomenal return to popular favor. It was also a reassuring evidence of the triumph of man over television. Until then the new invention conquered all -- except, of course, the imdomitable orators. The enormous ten thousand watt lamps burned into every weary retina with their inexorable rays. The heat they generated, added to the deadly flow of platitudes, resulted in one of the most uninspiring gatherings in Convention history. Not only Hoover's arrival, but the calm wisdom of his words, the unadorned Quaker simplicity of his sentences, changed the picture. The Hoover address was the best so far of the Convention. It started another ovation.

---- The address was a welcome contrast to the cliche-packed outpourings which had gone before. It contained the literal root-meaning of conservatism -- an appeal for keeping the best of what we have in a world where the alternatives spell destruction. Some passages cannot be reproduced too often, both here and in foreign parts. "Our friends abroad should realize that we are today certainly straining our American economy to the utmost. Warning signals already clang in our ears. Relief and defense will soon be costing us over $22 billion a year. Our Federal budget threatens to increase to $50 billion a year unless we delay many plans for internal social and economic improvements.

"Even our present $40-odd billion taxes and the export of materials so drain the savings of our people that in the year 1947 we did not properly maintain and expand the great tools of production and distribution upon which our standard of living depends. Nor is there any room for more taxes except by a cut in the standard of living of those who do the nation's work. Some will say that we can increase corporation taxes. That is easy to say. But any student of economics knows that, in the long run, such a tax will be passed on to the consumer, provided we want to maintain our real wages and great tools of production.

"Surely any American would seem to have the right to aspire to the income of a United States Senator -- less taxes. If the remaining untaxed income above that level were completely confiscated, the take would provide only two and one-half per cent of the budget."

And this: "The three hundred year old roots of freedom in America showed their resistance to the collectivist blight. The influence of our rebirth of liberty has now echoed throughout the world. But the battle is still on. The deep soil of these three hundred year old roots is the spiritual concept that the rights of man to freedom are personal to him from the Creator, not from the State. That is our point of departure from all others. This spiritual concept, whatever our faults may be, has guided our people to a life, not only of material abundance, but also a life of liberty and human dignity."

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---- We followed the Hoover speech with the release copy and noted that Mr. Hoover departed from the text at various points, mostly for emphasis. But one alteration made us wonder. "It is only thus", he said, "that we can restore the balance of power in the world able to resist the hordes from the Eurasian Steppes who would ruin Western civilization". For the last word, Mr. Hoover substituted "Europe". It may, of course, have been a slip of the tongue, but, we thought the speaker may have ad libbed one of his own hopes -- of the invincibility of American civilization, whatever happens elsewhere.

Still another interpretation was possible. It is reported that Mr. Hoover notes signs of scientific development which might alter the current thesis -- "there is no defense against atomic warfare". Mr. Hoover reportedly wonders if certain new inventions in radar technics may make possible an air defense of the United States which could not be penetrated.

---- One of the welcome figures in what constituted a sort of old home week was H. L. Mencken. Still the cheerful pathologist, Mencken recorded daily in the Baltimore Sun his clinical researches into the pains of Convention life. Even the poor delegates themselves -- capable no doubt of a sense of humor if given a chance -- might have appreciated his analysis of the effect of the truly awful campaign speeches: "Most of them [the delegates] sat through it with the dumb resignation of cattle waiting in the stockyards." Mencken's usual tireless curiosity led him into an exhaustive piece on the horrors of television. Colleagues, reading it, recalled Mencken's diligence eight years ago at the celebration in Willkie's home town in Indiana. With a yardstick, the "sage of Baltimore" devoted much time to measuring the length, width and depth of the temporary privies provided for the occasion.

The press was also grateful to Mencken at the first Taft press conference, held in a hot unventilated room. The exhausted Senator, just arrived, provided no news at all for the famishing newspaper men. So, Mencken soon put an end to the session with the words, "Thank you, Mr. President". His initial paragraph of the first piece of political writing he has done in eight years was quoted, with great guffaws, as a typical Menckenism. "The weather", he wrote, "continued today with a rising temperature, very high humidity, and lazy puffs of gummy winds from the mangrove swamps surrounding the city".

---- If Senator Vandenberg desires to retain his popularity with the veterans -- both present veterans and future ones -- he will never again say, as he has been quoted as saying, that "a Member of Congress who voted for a draft has no right to refuse to be drafted himself". Despite all the burdens and harrassments, the Presidency is the greatest job in the world, and one for which many men have a powerful yearning. We have yet to hear of any man who yearned to be drafted into the Armed Forces of his country. A man who could equate the frustrations, boredom and possible fatality of the Presidency with the frustrations, boredom and chances of fatality of a drafted soldier would seem to have lost his sense of proportion.

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How many government jobholders can an economy sustain before it begins to go under? Recently (June 1 and 2) there came evidences of violent bureaucratic indigestion from three corners of the world. In Paris, known for generations as the paradise of civil service functionaries, the hard-pressed Premier Robert Schuman sent a bill to the Assembly, calling for the dismissal of 150,000 state employees. Schuman served notice that the vote on the bill would be regarded as a vote of confidence also and the Premier got his way -- though not before his Cabinet had been all but wrenched apart in the process. In Japan, where the size of the bureaucracy

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is a red hot issue and where the Liberal Party is demanding a 50 per cent cut in government employment, Premier Ashida regretfully announced that 15 per cent was as far as he could go.

Here at home Senator Byrd, Chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, announced that 650 new jobholders went on the payroll every 24 hours during April and that the net increase in Federal employment was 19,559 for that month alone. The drop in the number of jobholders following the abandonment of numerous World War II agencies did not last long; the trend was reversed many months ago and by May 1 the total stood at 2,050,420 -- six hundred thousand more than in 1941 when we entered the war. It was the Japanese statesman who spoke the true word. "So long as we have a controlled economy here", said Ashida, "it seems obvious that the bureaucrats must have absolute power over its administration". Every time a government puts on a new control, clerks, statisticians and personnel workers by the thousand are necessary to look after the control. War and welfare, of course, are the two darlings of bureaucracy; it was a desperate House Appropriations Committee that granted the money (June 2) for 40,000 more civilian employees for the military establishment and grimly refused to allow the dollars for a further 90,000.

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Day by day little rifts and eddies in the industrial world reveal how completely the life of the whole country is being adjusted to foreign policy -- to wit, occupation abroad, foreign relief via ECA along with other agencies, and just plain military preparation for war. Within the past 30 days the first new defense orders went to market. There they are today competing for materials with a still ravenous domestic civilian demand, with a regular military demand for current needs both here and abroad, and with ECA demand.

No wonder Roy Cheney, president of the Underwear Institute, told his members a fortnight ago that it looked like government controls, no matter who wins the November election. (Ironically enough, textile people were upset at about the same time by a bureaucratic decision of a highly competitive character as far as cotton goods were concerned: the Supreme Commander for the Allied Powers in Japan abruptly cut the price of Japanese towels and terry cloth!) Control talk is common all along the line. Even as it is, metal manufacturers are discussing the possibility of some kind of privately initiated allocation system among themselves to prevent prices for scarce items from being pushed through the roof and out of sight.

But perhaps the most significant sign of the times was revealed in a little-noticed announcement made ten days ago by Bowser, Inc., manufacturers of locks, gasoline pumps, screw machine products, meters, gears and similar items. The Bowsers are not exactly industrial giants, but they employ better than 5,000 hands in their various plants and their present activities are probably typical of much that is to come. They have just completed, after a study of months, a plan whereby their plants can be shifted to war production within 24 hours! Apparently some method of continuous inventory is involved for the company states that they can give the military complete information about current tools, facilities and methods at almost a moment's notice. "We can concentrate more successfully on sales and production", the president of the company observed, in the tone of an early frontier farmer taking his gun along for protection from the Indians while plowing, "because we have no fear of any future emergency".

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If the GOP wins the election, the name of Allen Dulles will doubtless come up in connection with various international posts. Some say that the little-known Allen Dulles is a better diplomat and more thoroughly versed in foreign affairs than his widely publicized brother, John Foster Dulles. Possibly out of courtesy to the latter, long active in the bipartisan foreign policy, President Truman not long ago offered the post of Ambassador to France to Allen Dulles. Mr. Dulles declined. After all, the prudent prefer not to accept official jobs these days with the tottering Democratic Administration.

Dulles, however, has been unofficially serving the President. As reported in this column on April 14, he has been head of a group assigned by Truman to investigate the Central Intelligence Agency (CIA) in particular; and has now sent a report, much earlier than scheduled, to the White House. Naturally, not much is known about its details, but it is believed to recommend creation of a new "hush-hush" agency, working either under CIA or under the Department of National Defense. It would carry on the sort of work which Dulles conducted so well when he served as OSS contact man with the German Underground in Switzerland during the war. In the present situation, help to such anti-Communist organizations as the European Peasant Union -- known as the Green International -- would seem strongly indicated as the principal mission of the proposed "hush-hush" outfit.

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The nightmare of a Russian-controlled German army, poised behind the Iron Curtain, has vanished. This reassuring conclusion comes to us from two sources: (1) a well-informed German official now in this country; and (2) responsible U. S. officials recently returned from the Occupation zone. These sources claim that not one member of the alleged Von Paulus army -- at times described as numbering as high as 100,000 men -- has been contacted by any reliable observer from behind the Iron Curtain. Among the many thousands of Germans who have filtered through to the West, none have seen or heard of any Germans serving in a Russian-controlled army. It is believed that the Von Paulus group, if it exists at all, consists of no more than a few hundred officers and non-coms. Therefore, reports about a German army under Russian domination henceforth will be classified as Russian propaganda. The non-existence of this "army" is hailed as of good omen and offers evidence that, despite everything, Germans cannot be relied upon to fight for Russia.

At the same time, this news does not materially diminish the grave concern about the morale of the German people. Soviet Russia is now seeking to exploit Western German discontent with Allied rule and apparently places hope in some prominent conservative civilians who dislike intensely the prospect of a war over the battered body of post-war Germany. As yet, the activities of these civilians have produced no discernible effect. But the basis for serious disgruntlement has been laid by the Six-Power agreement, which sets up an international authority to control Ruhr output. Last week this column mentioned the international authority as causing great damage to German morale. But there is another part of the treaty, little mentioned, which has worked equal harm among the Germans.

"Frontier rectifications" in the West were mentioned in the treaty. (To Germans, this means the Belgian and Dutch claims to strips of German territory adjacent to the borders of those countries.) Annexation of these areas would not only transfer land historically and ethnically German, but would also deprive Germany of valuable deposits of raw materials. In the Cleves area near the Dutch border there are undeveloped oil reserves, the object of interested study by petroleum experts. The territory near Aachen on the Belgian frontier contains some very productive coal mines. These chunks of territory may seem like small potatoes to Americans. But Germany needs every morsel in the cupboard to sustain its precarious economic life, and every German knows it.



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# European Supplement

June 23, 1948

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By Bertrand de Jouvenel

It has been a quiet spring in Western Europe. Frustrated in Italy, weeded out of officialdom in England, the Communists play dead in France.

People are cheered by Russian willingness to consult about navigation on the Danube, by the Molotov peace campaign and by such reflections as the guerrilla bids for peace in Greece. The barometer of nerves on the Continent has gone up and the portent now is for better political weather.

The optimists point to the gradual consolidation of Western Europe, to the London military talks between the five (Britain, France and the Benelux countries) parties to the Brussels political agreement of March 17, to the drawing up in Paris of a common import program for the sixteen ERP beneficiaries. Further, the unofficial champions of a more perfect union gathered in force at The Hague (May 7 to 11) and this demonstration of a trend in opinion has reinforced the trend itself.

The Marshall ships are coming in and it is hoped that the impact of more goods, from imports and from production, will combine with the fiscal stability sought by the deflationary policies of Sir Stafford Cripps and M. Rene Mayer. A double promise of more goods and more reliable currency should tend to unfreeze stocks till now piled up as investments by merchants and farmers. Buyer's resistance is met with for the first time in ten years. Under conditions of scarcity, combined with inflation, the tree of the distributive system had grown many superfluous branches. It seems in for a good pruning.

Up to now there has not been any noticeable liquidation of superfluous enterprises except in the Paris press. Suppression, at the Liberation, of all previously existing newspapers -- whether guilty or innocent of collaboration -- then made way for a number of new sheets which were to be employee-owned. They flourished as long as they could use the printing presses on credit and appeared on two pages only. But these journalistic sprouts have run into increasing financial trouble, have been going out of business at an increasing pace and are now consolidating.

Deflationary policies have their political drawbacks. In England, many Socialists admit that deflation may increase their party's chances of defeat at the next general election. It is a risk which Stafford Cripps accepts with open eyes. In France, where the worker's standard of living is not bolstered by the same food subsidies, the risk is more immediate. Should a sufficient break in prices fail to materialize, the insufficiency of the real wage, more than 40 per cent below 1938 levels, will prove a Communist asset. The Communists seem inclined to postpone drastic wage demands, apparently storing them up for a campaign at the end of the summer when the electioneering season starts. For the moment the Communists are emphasizing the political weapon. But they still do not hesitate to use violence whenever industrial opportunity serves.

* * *

With conditions in Western Europe far better than was generally anticipated a year ago, with no immediate threat on the horizon, the tranquillity enjoyed still does not breed any great degree of confidence. Refugee capital is not yet tempted back to Europe. And there is quite a portion of European energy and money which does not break ground for recovery but remains lightly poised with twitching ears, like a hare ready for flight. The foremost reason is that the area is defenseless.

The military weakness of Western Europe offers striking evidence of its decline. Here are England, France, Italy and most of Germany: when a Four-Power treaty was contemplated between these nations fifteen years ago, it seemed to carry

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a menace of world hegemony. How are the mighty fallen! With Germany shattered and Italy disarmed the Continent could not be held against a Russian push. The situation would seem to call for a standing army of Europe recruited from all nationalities and stationed in Germany, capable at least of stopping the initial rush.

Far from such ambitious plans, the staff officers who met recently in London had to make their paper plans with those same armies, the French, the English, the Belgian and the Dutch, whose combination broke down so fatally before Dunkirk. For France, her huge military expenditures notwithstanding, war would mean another Occupation. Is it then incomprehensible that France grasps eagerly at every assurance given by Molotov of his peaceful intentions? A nation of 38 million is simply unable to guard itself against an empire now able to call upon well-nigh 300 million subjects or auxiliaries.

But there is no good reason for the defenselessness of Western Europe as a whole, comprising over 260 million people. The difficulty is that Western Europe does not exist. Many want to call it into existence: hence the Hague Congress.

* * *

This First Congress of Western Europe was most brilliantly attended and on the whole a success. Of its three committees the best undoubtedly was the Cultural, presided over by Salvador Madariaga and Denis de Rougemont. There Charles Morgan, Bertrand Russell, T. S. Eliot, John Masefield, Douglas Woodruff stood out among many notable people. This committee went all out for Natural Law and Individual Rights, to be secured against the aggression of law-making bodies. It demanded a Supreme Court of Europe where minorities and individuals might seek redress against their national State. Well to the fore was the interesting team of the French Federalists, a youthful and active group.

The Economic Committee, also rich in well-known figures, was predominantly liberal and in favor of a free market in Europe. But it ran into the opposing view of a thoroughly planned Europe with labor unions active in the planning bodies. There was some uneasy drafting reconciliation.

The Political Committee was the largest, the noisiest and the least effective. It just managed to steer its course without disaster across the mine field of explosive national and political interests and prejudices: French repugnance to co-operation with Germany; British concern over the links with the Dominions; Socialist mistrust of any thorough re-establishment of free enterprise; a general reluctance to offend or provoke Russia.

Since the Hague Congress, the power of such disrupting factors has been very much in evidence. At the Scarborough Conference of the British Labour Party, Mr. Hugh Dalton branded The Hague as reactionary and conjured up the possibility that the "solid gains" of Socialism in England would be called into question by the undue interference of capitalism in Western Europe. From Paris came a burst of indignation against the London decisions on Germany -- fatal to French interests and to French security, asserted Gaullists and Communists in chorus.

Of course divergent purposes and deep-rooted antagonisms are the stuff of any Society, whether in being or making: it is a fool's dream to expect their disappearance and a man's work to subdue them. But the European Prospero is very weak and Caliban addicted to many Stefanos.

* * *

The extreme irritability of nationalism in Europe results not only from war propaganda but also from party propaganda which plays upon national feelings. Nowadays the political party, greatly altered since the days of Burke, tends to be a power-hungry, fanatical team somewhat similar to the companies of Cortez or Pizarro. Contemporary parties aim at the conquest and colonization of their own

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nations, resorting to every device of persuasion and agitation in order to gain, retain, or intensify their hold. All too many political strategists practice a sort of political Don Juanism.

Now the national anthem is to the people what the violin is said to be to a woman: that was Mussolini's and Hitler's fatal discovery. Most parties wave the flag for their different purposes -- the Communists not the least -- as a means of setting against each other the peoples of Western Europe. They must not be allowed to consolidate. Thus from many sides the flames of nationalism are fanned.

It follows that good will is not a potent factor in the reconstruction of Europe. Fear, alas, plays a greater part. The national of any Western country, if he dreams of the bear, awakes as a European and so remains till the nightmare fades. This explains the eagerness of the Russians to feign peace talks or float rumors to that effect; thus alleviating fears which happen in these topsy-turvy times to work for European reconstruction!

* * *

The French delegation on its way to The Hague could not obtain Belgian francs to buy breakfast at any exchange rate -- an amusing illustration of monetary difficulties which are reaching such a pitch that the European countries have come to need dollar subsidies in order to buy from each other!

The trustful who, relying upon official congratulations, think of Benelux as an accomplished union, a model for others, have been rudely shaken by a recent episode. The Netherlands, needing Belgian francs, bought them from the International Monetary Fund, created for that very purpose. It then appeared that Belgium which has generously granted large credits (13 billion Belgian francs) to various countries, protested against this acquisition. So it had to be halved! Thus it came out that these two Benelux countries are in fact severally cooped up in their separate currency areas. Inconvertible currencies indeed constitute the simplest practical device for the breakup of a Great Society.

Is it necessary to point out that inconvertible currencies result naturally from the Keynesian proposition that the volume of money in a country must be made immune to the ebb and flow commanded by the fluctuating balance of payments? It was bold indeed to hope that all natural and proven mechanisms done away with, internal currencies of arbitrary volumes would prove capable of being exchanged at arbitrary rates. And now the institution set upon Keynes' advice, to regulate and cushion the operation of this wholly arbitrary scheme, finds itself prevented from doing so: A fitting conclusion!

* * *

No attempt has been made here to gloss over the adverse factors of the European situation. Withal, recovery is proceeding apace; not only material but also intellectual and moral. Things are righting themselves, less in many cases as a result of governmental policies than due to the resilience of the individual European. Nothing has done more to hearten them than the demonstration of American good will and fraternal care. May I venture to say that nothing can have a more disastrous effect than any reversal or appearance of reversal in American policies. However advisable or justified the cut in the authorization for ERP may have been, the psychological effect has been deplorable.

Europeans are seeking to unite and stabilize Europe. American unity and stability are a reassurance and an inspiration. They breed imitation and do more for Europe than money or commodities. But what are taken to be American assurances must stand as a stone wall.

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# Book Events

From Many One, by Crane Brinton. Cambridge: Harvard University Press. $2.25.
Reviewed by John Chamberlain.

Frightened out of their wits by the Frankenstein bomb of their own devising, the atomic physicists have taken to running up and down the land crying "Stop war by instituting world government or perish". While one can understand both their fears and their desires, the spectacle has overtones of a peculiarly grisly comedy. For the physicists are quite out of their depth in the interrelated realms of politics, morals and social science, which they have so recently and clamorously invaded. Their "either-or" formula, as Crane Brinton is hardly the first to suggest, is no more realistic now than it ever has been; human change does not respond to neat imperatives.

Nevertheless, the prospect of atomic warfare is frightening enough, and the desirability of larger federal units, particularly in Europe, is obvious enough. Crane Brinton is sure that it will not be "one world" within foreseeable time; but he is also certain that some positive good can result if we take the trouble to understand the "how" and the "why" of political integration as it has come about in the past. His book, From Many One, is a suggestive, if somewhat hasty, exploration of the factors making for unification in the ancient Roman world, and in the world of medieval France. It adds, as a sort of caveat, the story of modern Ireland; and it binds up the whole in a neat package marked "Special Delivery to the Atomic Physicists and the Undergraduate World Federalists".

The successful extension of a sovereign power, says Professor Brinton, is usually the result of a combination of imperialist and federalist impulses. The experience of the United States, with its Constitutional Convention, its Federalist Papers propaganda, and its swift ratifications of federalist principles, is in Professor Brinton's estimation sui generis. As such, it is hardly applicable to a world that includes Russia, India, the Israeli, the Arabs, the Burmese and dictators Peron and Franco, to say nothing of 400,000,000 Chinese and General Charles de Gaulle. Diversities and passions being what they are, Crane Brinton thinks it likely that future extensions of sovereignty will follow Roman or medieval French patterns. They will, in brief, be the result of mixed motives and ragged courses of action.

The extension of the Roman Empire, says Professor Brinton, depended on the cult of emperor worship, the universality of the stoic faith, the existence of a genuinely cosmopolitan ruling bureaucracy, and a willingness to leave the common man in Iberia, Attica and Gaul to his own devices in local affairs. As for medieval France, it grew from the cell-unit of the Ile de France into la France Eternelle by a mixture of "guile, luck, diplomacy, and even consent". The Capetian kings used a variegated combination of the sword, feudal marriages, the peril of "perfidious Albion", the cultivation of both the Estates General and provincial parlements, the Gallican church and, finally, the court bureaucracy to put together their nation. Generalizing from the experience of the past, integration depends on the will of an elite, the availability of a unifying symbol, a mixture of force and generosity (with the latter applied in ever larger portions), and -- an outside enemy. Rome had its Carthage, Joan of Arc her England -- and, though Brinton does not say it, maybe the best augury for federation in the West is the existence today of a continuously cantankerous Stalinist Russia.



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